

Budget Brief – Children's Health Insurance Program

NUMBER HHS-05-09

SUMMARY

The Children's Health Insurance Program (CHIP) provides health insurance to children who (1) are age 18 or under, (2) live in families with incomes below 200 percent of the Federal Poverty Level, (3) are not eligible for Medicaid, and (4) are uninsured.

ISSUES AND RECOMMENDATIONS

The Analyst recommends a total budget for FY 2006 for the Children's Health Insurance Program in the amount of \$36,606,800. This funding level covers the administrative portion of CHIP (less than \$1 million) and the service portion which pays for the CHIP benefits. The administrative portion includes 8.8 FTE positions.

Figure 1: Health - Children's Health Ins Prog - Budget History

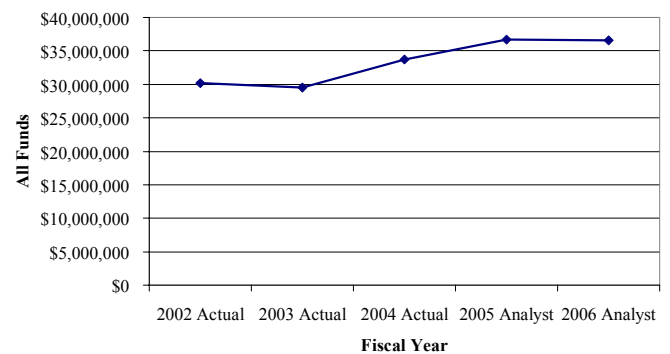


Figure 2: Health - Children's Health Ins Prog - FTE History

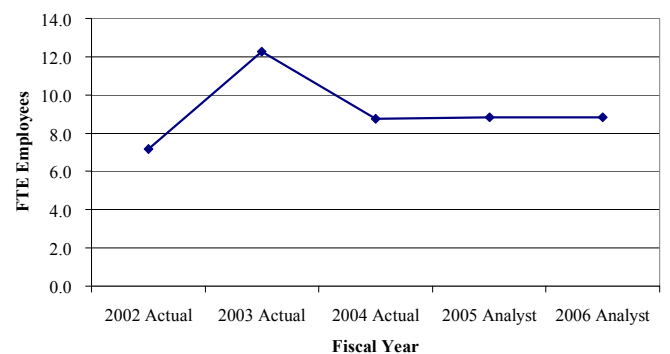
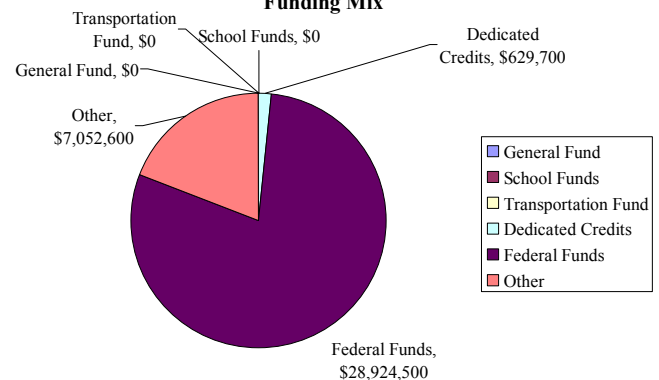
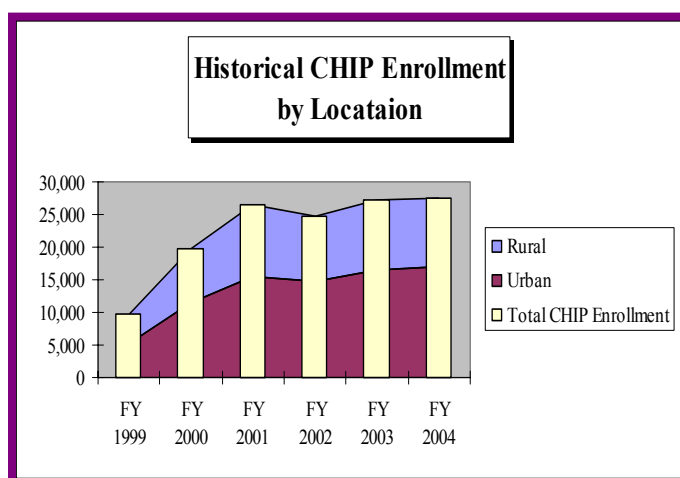
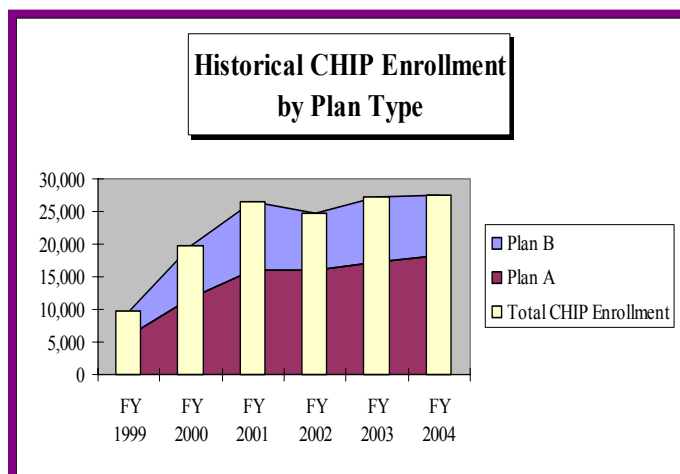


Figure 3: Health - Children's Health Ins Prog - FY 2006 Funding Mix



ACCOUNTABILITY DETAIL***Children's Health Insurance Program***

Enrollment in CHIP opened in August 1998. For the first several years, there were no restrictions on enrollment. As the numbers increased and approached the level that the funding would support, enrollment was capped. Over the span of several months, natural attrition reduced the numbers so a short window of open enrollment could take place. This has happened a couple of times each year for the last few years. The two graphs to the right show the growth in total CHIP enrollment, both by plan type and whether the children live in rural or urban areas. (Plan A is for children in families with incomes below 150 percent of poverty; Plan B is for children in families with incomes between 150 and 200 percent of poverty).

**BUDGET DETAIL*****Budget Recommendation***

For the Children's Health Insurance Program (CHIP) line item, the Analyst recommends total funding in the amount of \$36,606,800. Of this amount \$7,006,200 is from the General Fund Restricted – Tobacco Settlement Restricted Account (used as the state match), \$28,924,500 from Federal Funds, \$629,700 from Dedicated Credits, and \$46,400 from Transfers.

Intent Language

No intent language is proposed for this line item.

LEGISLATIVE ACTION

1. The Analyst recommends that the Health and Human Services Appropriations Subcommittee approve \$36,606,800 as the base budget for FY 2006 for the Children's Health Insurance Program.

BUDGET DETAIL TABLE

Health - Children's Health Ins Prog						
Sources of Finance	FY 2004 Actual	FY 2005 Appropriated	Changes	FY 2005 Revised	Changes	FY 2006 Analyst*
Federal Funds	26,044,062	28,917,300	61,300	28,978,600	(54,100)	28,924,500
Dedicated Credits Revenue	629,690	650,000	(20,300)	629,700	0	629,700
GFR - Tobacco Settlement	7,003,200	7,006,200	0	7,006,200	0	7,006,200
Transfers	575,361	135,400	(89,000)	46,400	0	46,400
Lapsing Balance	(578,294)	0	0	0	0	0
Total	\$33,674,019	\$36,708,900	(\$48,000)	\$36,660,900	(\$54,100)	\$36,606,800
Programs						
Children's Health Insurance Program	33,674,019	36,708,900	(48,000)	36,660,900	(54,100)	36,606,800
Total	\$33,674,019	\$36,708,900	(\$48,000)	\$36,660,900	(\$54,100)	\$36,606,800
Categories of Expenditure						
Personal Services	406,658	491,700	40,577	532,277	(677)	531,600
In-State Travel	907	1,000	(100)	900	0	900
Out of State Travel	179	100	100	200	0	200
Current Expense	341,692	414,300	39,923	454,223	(23)	454,200
DP Current Expense	40,414	4,700	1,900	6,600	0	6,600
Other Charges/Pass Thru	32,884,169	35,797,100	(130,400)	35,666,700	(53,400)	35,613,300
Total	\$33,674,019	\$36,708,900	(\$48,000)	\$36,660,900	(\$54,100)	\$36,606,800
Other Data						
Total FTE	8.8	8.5	0.3	8.8	0.0	8.8
*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.						

Issue Brief – Federal Funds (CHIP)

NUMBER HHS-05-22

Federal Assistance Applications for State Fiscal Year 2006

July 1, 2005 through June 30, 2006

70	Grant Title	Federal Agency	Federal Annual Award	Annual Match Requirement								% Share To Local Agencies	Add'l Funding Req.	Expectatio n when funds expire	# of Add'l Staff	Notes (Define match & FTE as Temp/perm - or other)
				Matching State Funds				Local/Other								
				General Fund	Dedicated Credits	Restricted Fund	Maintenance of Effort	In-Kind	Other	Total State Match						
Submitted with Agency Budget																
	Federal T19 Medicaid CHIP	HCFA	\$28,924,500	\$0	\$676,100	\$7,006,200	\$0	\$0	\$0	\$0	\$7,682,300	\$0	97%	No	No	* Exempt per 63-38e-102(e), UCA
	Grant Application Totals		\$28,924,500	\$0	\$676,100	\$7,006,200	\$0	\$0	\$0	\$0	\$7,682,300	\$0				
	Note: Will provide data as it becomes available															
	Prepared by the Governor's Office of Planning and Budget															